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No. 18486- LFS (Apl)12/2008/HUD.

**HOUSING & URBAN DEVELOPMENT DEPARTMENT**

**RESOLUTION**

The 9th July 2008

**Sub : Merger of D.A. equivalent to 50% of Basic Pay with Basic Pay to the employees of all ULBs except Municipal Corporations with effect from the 1st April 2006.**

Consequent upon the revision of scales of pay of the employees of Urban Local Bodies of the State vide Housing & Urban Development Department Resolution No.26013, dated the 8th November 2006 read with Corrigendum No.2052, dated the 1st February 2007, the Orissa Municipal Employees' Federation demanded to allow them Dearness Pay (D.P) with effect from the 1st April 2006.

2. The matter was on active consideration for some time past. After careful consideration, Government have been pleased to allow the benefits of Dearness Pay (D.P) to all ULB employees of the State except Bhubaneswar Municipal Corporation & Cuttack Municipal Corporation with effect from the 1st April 2006. D.A. equal to 50% of the existing basic pay shall be merged with the basic pay of the ULB employees and shown distinctly as "Dearness Pay" (D.P).

Accordingly, D.A. equal to 50% of the existing basic pay shall be merged with the basic pay and shown distinctly as Dearness Pay (DP) which would be counted for the purposes like payment of allowances wherever applicable, contribution to CPF, licence fee and various advances etc. The entitlement of TA/DA while on tour and transfer, accommodation provided by ULBs shall, however, continue to be governed on the basis of the basic pay alone without taking into account the Dearness Pay.

3. At present, D.A. @ 67% of the basic pay is being paid notionally with effect from the 1st January 2005 to the ULB employees as mentioned in Para-5 (ii) of this Department Resolution No.26013, dated the 8th November 2006. Subsequently, two doses of D.A.

have been sanctioned vide this Department Resolution No.18482/HUD., dated the 9th July 2008 with effect from the 1st July 2005 and the 1st January 2006 raising the total percentage from 67% to 74% respectively. Thus with the merger of D.A. equivalent to 50% of basic pay with effect from the 1st April 2006 as D.P., the D.A. @ 24% of basic pay and dearness pay taken together will be payable from the same date i.e. the 1st April 2006 and the D.A. doses as sanctioned from time to time will be calculated accordingly.

4. This merger of Dearness Pay (D.P) is applicable to all employees who are drawing the pay in the regular scale of pay pursuant to the stipulations laid down at Para-2 (viii) of the Department Resolution No: 26013, dated the 8th November 2006 under Revised Scales of Pay, 2006 as per the conditions given under :—

- (i) No additional grant-in-aid shall be provided by the State Government on account of merger of D.P.
- (ii) The additional financial implication shall be borne by the concerned ULBs of the State from out of their own non-debt income without sacrificing the developmental needs of the public and in no case the grant/grants given to the ULBs of the State for various developmental works including grants given/to be given under 12th Finance Commission Award and Road Maintenance, Incentive linked grant under the Award of the 2nd State Finance Commission etc. will be diverted/encroached to meet the additional expenditure arising out of extending the merger of D.P.
- (iii) The concerned ULBs will have to raise their own resources to meet the additional expenditure liabilities on account of the merger of D.P. and in case they are not able to meet the additional liabilities this benefit shall not be applicable to them.
- (iv) This merger of D.P. is applicable to those employees who have been recruited against valid approved sanctioned posts and who are in position as on the 1st January 1996 and not applicable to the NMRs/DLRs/J.C. Workers who are not on the regular pre-revised scales of pay or those who have been irregularly appointed without any valid sanctioned posts.
- (v) In case, there is any excess payment intentionally or otherwise on any account compared to the merger of D.P. the differential amount would be recovered/ adjusted from the differential pay and allowances with effect from the 1st April 2006 arising out of fresh pay fixation notionally with effect from the 1st January 1996 and actual financial benefit with effect from the 1st January 2006.

5. This merger of D.P. equivalent to 50% of Basic pay with Basic pay of the employees of the ULBs of the State has been concurred in by the Finance Department vide their UOR No.92 (CS-I), dated the 27th May 2008.

ORDER

Ordered that this Resolution be published in the Extraordinary issue of *Orissa Gazette* and forwarded to all Departments of Government/ Heads of Departments/ RDCs/ District Magistrates/all ULBs of the State.

By order of the Governor.

Dr. A. K. PANDA

Commissioner-*cum*-Secretary to Government